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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01-01-2007 AND ENDING 12-31-2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ICD SECURITIES, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

7301 SW 57 Court, Suite 420

(No. and Street)

South Miami

Florida

33143

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Juan C. Suarez

(305) 669-5168

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Berenfeld, Spritzer, Shechter & Sheer, LLP

(Name - if individual, state last, first, middle name)

2525 Ponce de Leon Blvd, 5th Floor

Coral Gables,

Florida 33134

(Address)

(City)

(State)

PROCESSED

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

MAR 24 2008

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FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

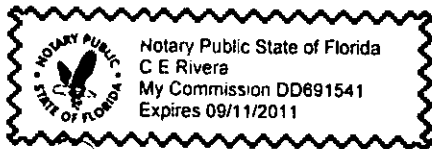
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OATH OR AFFIRMATION

I, Juan C. Suarez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ICD Securities, Inc, as of December 31,, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



C E Rivera
Notary Public

Juan C. Suarez
Signature
PRINCIPAL
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

ICD Securities, Inc.
Financial Statements
December 31, 2007

ICD Securities, Inc.

Financial Statements

December 31, 2007

ICD Securities, Inc.
Financial Statements
December 31, 2007

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Independent Auditors' Report

To the Stockholders and Board of Directors
ICD Securities, Inc.
Miami, Florida

We have audited the accompanying statement of financial condition of ICD Securities, Inc. (the "Company" – an S Corporation) as of December 31, 2007 and the related statements of income and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICD Securities, Inc. as of December 31, 2007 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in schedule 1a - computation of net capital under rule 15c3-1 of the Securities and Exchange Commission, schedule 1b – reconciliation of the computation of net capital under rule 15c3-1 of the Securities and Exchange Commission, and schedule 2 – computation for determination of reserve requirements under rule 15c3-3 of the Securities and Exchange Commission are presented for purposes of additional analysis and are not a required part of the basic financial statements, but is supplementary information required by rules 15c3-1, 15c3-3, and 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Berenfeld, Spritzer, Shechter & Sheer, LLP

Berenfeld, Spritzer, Shechter & Sheer, LLP
Coral Gables, Florida
February 27, 2008

ICD Securities, Inc.
Statement of Financial Condition
December 31, 2007

Assets

Cash	\$ 104,622
Prepaid expenses	<u>7,000</u>
Total Assets	<u>\$ 111,622</u>

Liabilities and Stockholders' Equity

Liabilities

Accounts payable	\$ 14,353
Due to related party	<u>8,500</u>
Total Liabilities	<u>22,853</u>

Stockholders' Equity

Common stock, \$0.10 par value, 1,000 shares authorized, issued and outstanding	100
Additional paid-in capital	71,900
Retained earnings	<u>16,769</u>
Total Stockholders' Equity	<u>88,769</u>

Total Liabilities and Stockholders' Equity	<u>\$ 111,622</u>
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ICD Securities, Inc.

Statement of Income and Changes in Retained Earnings

For the Year Ended December 31, 2007

Commissions and fees	<u>\$ 752,269</u>
Expenses	
Clearing and underwriting fees	160,521
Commissions	23,609
Dues and subscriptions	33,227
Insurance	1,479
Licenses and permits	1,438
NACI fees and charges	6,795
NASD fees	3,990
Office expenses	44,507
Professional fees	15,666
Referral fees	227,958
Rent	5,100
Salaries	25,585
Telephone	954
Travel and entertainment	4,099
Other general and administrative expenses	<u>18,473</u>
 Total expenses	 <u>573,401</u>
 Income from operations	 <u>178,868</u>
 Other income (expense)	
Interest income	1,550
Interest expense	(1,422)
Other income	<u>37,090</u>
 Net other income (expense)	 <u>37,218</u>
 Net income	 216,086
 Retained earnings, beginning of year	 (46,317)
 Distributions to stockholders	 <u>(153,000)</u>
 Retained earnings, end of year	 <u><u>\$ 16,769</u></u>

ICD Securities, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2007

Cash Flows from Operating Activities

Net income	\$ 216,086
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Due from clearing broker/dealer	40,937
Prepaid expenses	(3,010)
Accounts payable	(1,100)
Due to clearing broker/dealer	<u>(14,523)</u>
Net cash provided by operating activities	<u>238,390</u>

Cash Flows from Financing Activities

Advances from related party	3,000
Repayment of advances to related party	(7,685)
Distributions to stockholders	<u>(153,000)</u>
Net cash used in financing activities	<u>(157,685)</u>

Net increase in cash 80,705

Cash, beginning of year 23,917

Cash, end of year \$ 104,622

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for interest \$ 1,422

ICD Securities, Inc.

Notes to Financial Statements

December 31, 2007

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Nature of organization

ICD Securities, Inc. (the "Company") was incorporated in November 2004 pursuant to the laws of the State of Florida. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers ("NASD").

The Company is engaged in the sale of fixed income securities, such as FDIC insured certificates of deposit, government securities, FNMA, and FHLMC. The Company operated pursuant to the exemptive provisions of Subparagraph (K)(2)(ii) of SEC Rule 15c3-3. Transactions with the public and others in these securities are cleared on a fully disclosed basis with Sterne Agee, a clearing broker-dealer. All funds received and disbursed in connection with these transactions flow directly between the Company's customer and the clearing broker-dealer acting as agent for the Company. The Company does not hold or have access to the securities or funds of its customers.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The following is a summary of the Company's significant accounting policies:

Revenue Recognition

Commissions and fees are recognized as revenue as the related securities transactions occur.

Income taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue code to be an "S" corporation. In lieu of corporation income taxes, the shareholder of an "S" corporation is taxed on his proportionate share of the Company's taxable income. Therefore, the accompanying financial statements do not contain provisions or liabilities for federal and state income taxes.

Note 2 – Cash

Cash includes a minimum deposit requirement of \$15,000 maintained with the clearing broker/dealer.

ICD Securities, Inc.

Notes to Financial Statements

December 31, 2007

Note 3 – Related party Transactions

The Company's office space was provided by an entity wholly owned by one of the Company's stockholders at a nominal monthly rent. Total payments for the year ended December 31, 2007 to the related entity under this arrangement was \$4,100. The Company also received general and administrative services from the related entity's personnel, at no charge to the Company. As of December 31, 2007 the Company owed the entity \$8,500. During the year ended December 31, 2007, the related party made advances and paid expenses on behalf of the Company totaling \$3,000 and \$8,418, respectively. The Company made payments to the related party in the amount of \$7,685 during the year ended December 31, 2007.

Note 4 – Common Stock

Common stock is comprised of fully participating voting shares. Holders of common stock are entitled to one vote per share.

Note 5 – Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Note 6 – Regulatory Requirements

Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital based upon the activity of the Company in accordance with SEC Rule 15c3-1. The Company understands that the minimum net capital must be maintained on a daily basis and adequate excess net capital should be available as a safety margin. The Company formally computes net capital on a monthly basis unless proximity to the minimum net capital requirement constitutes otherwise. Under the computation provided by the Uniform Net Capital Rule, the Company is required to maintain "net capital" equal to the greater of \$5,000 or 6 2/3% of "aggregate indebtedness," as those terms are defined in the Uniform Net Capital Rule. As of December 31, 2007, the Company had excess net capital of \$83,769.

ICD Securities, Inc.

Notes to Financial Statements

December 31, 2007

Note 6 – Regulatory Requirements (Continued)

Reserve Requirement

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirement for brokers and dealers) in that the Company does not hold funds or securities for customers and all transactions are cleared on a fully disclosed basis through Sterne Agee, a clearing broker-dealer.

Supplementary Information

ICD Securities, Inc.

Schedule 1a - Computation of Net Capital

Under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2007

Net Capital

Total stockholders' equity	\$ 88,769
Deduct stockholders' equity not allowable for net capital	<u>-</u>
Total stockholders' equity qualified for net capital	88,769
Deductions and/or charges:	
Non-allowable assets:	
Securities not readily marketable	<u>-</u>
Tentative net capital	88,769
Haircuts on securities	<u>-</u>
Net capital	<u><u>\$ 88,769</u></u>

Aggregate Indebtedness

Items included in the statement of financial condition:	
Accounts payable	\$ 14,353
Due to related party	<u>8,500</u>
Total aggregate indebtedness	<u><u>\$ 22,853</u></u>

Computation of Basic Net Capital Requirement

A - Minimum net capital required 6 2/3% of aggregate indebtedness	<u><u>\$ 1,524</u></u>
B - Minimum dollar net capital requirement	<u><u>\$ 5,000</u></u>
Net capital required (higher of A or B above)	<u><u>\$ 5,000</u></u>

Excess Net Capital	<u><u>\$ 83,769</u></u>
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Excess Net Capital at 1,000 percent	<u><u>\$ 86,484</u></u>
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Ratio: Aggregate Indebtedness to Net Capital	<u><u>0.2574 to 1</u></u>
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See independent auditors' report.

ICD Securities, Inc.

Schedule 1b - Reconciliation of the Computation of Net Capital

Under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2007

Unaudited Net Capital Reported on Focus Report	\$ 103,372
Adjustments:	
Correction of prepaid expenses	7,000
Correction of accounts payable	(14,353)
Correction of due to related party	(8,500)
Correction of other income	<u>1,250</u>
Total adjustments	<u>(14,603)</u>
Audited Net Capital Reported on Statement of Financial Condition	<u>\$ 88,769</u>

ICD Securities, Inc.

Schedule 2 - Computation for Determination of Reserve Requirements

Under Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2007

Credit balances:

Free credit balances and other credit balances in customers' security accounts	\$	-
Monies borrowed collateralized by securities carried for the accounts of customers		-
Monies payable against customers' securities loaned		-
Customers' securities failed to receive		-
Credit balances in firm accounts which are attributable to principal sales to customers		-
Market value of stock dividends, stock splits, and similar distributions receivable outstanding over 30 calendar days		-
Market value of short security count differences over 30 calendar days old		-
Market value of short securities and credits (not to be offset by "longs" or by debits) in all suspense accounts over 30 calendar days		-
Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		-
		<hr/>
Total credit items		<hr/>

Debit balances:

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to rule 15c3-3		-
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		-
Failed to deliver of customers' securities not older than 30 calendar days (including debit balances in continuous net settlement accounts) pursuant to rule 15c3-3		-
Other		-
		<hr/>
Total debit items		<hr/>

Reserve computation:

Excess of total debits over total credits	\$	-
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Required deposit

None

There were no differences between this computation for determination of reserve requirements and the corresponding computation prepared by ICD Securities, Inc. and included in its unaudited Part II Focus Report filing as of the same date, which differences are considered to be material.

Report on Internal Control Required by Securities and Exchange Commission ("SEC")
Rule 17a-5 for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3

To the Stockholders and Board of Directors
ICD Securities, Inc.
Miami, Florida

In planning and performing our audit of the financial statements and supplemental schedules of ICD Securities, Inc. (the "Company"), for the year ended December 31, 2007, we considered the its internal control, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the SEC, we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Berenfeld, Spritzer, Schechter & Sheer, LLP

Berenfeld, Spritzer, Shechter & Sheer, LLP
Coral Gables, Florida
February 27, 2007

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Fifth Floor
Coral Gables, FL 33134**

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Sunrise, FL 33323**

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